

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2700 - SB 3128

February 18, 2012

SUMMARY OF BILL: Freezes the in-state tuition, fees, and room and board charges at all Tennessee Board of Regents (TBR) and University of Tennessee (UT) institutions at 2011-2012 academic year rates for the upcoming 2012-2013 and 2013-2014 academic years.

ESTIMATED FISCAL IMPACT:

**Decrease State Revenue – \$148,727,300/FY12-13
\$164,805,700/FY13-14**

Assumptions:

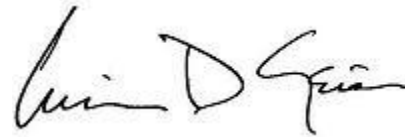
- The revenue totals for FY11-12 have not been received by the institutions.
- TBR and UT would have increased in-state tuition, fees, and room and board in the FY12-13 and FY13-14 academic years. The exact increase in in-state tuition, fees, and room and board in FY12-13 and FY13-14 are unknown.
- In FY08-09, revenue for TBR from in-state tuition, fees, and housing (board is included in housing) was \$634,745,689. In FY09-10, TBR's revenue from these items was \$732,518,267. In FY10-11, TBR's revenue from these items was \$807,869,302.
- TBR's average annual growth from tuition revenue from FY08-09 to FY10-11 was 11.4 percent.
- This percentage growth will be used to extrapolate TBR's estimated decrease in revenue from in-state tuition, fees, and room and board in FY12-13 and FY13-14.
- In FY10-11, TBR received \$807,869,302 in revenue from in-state tuition, fees, and room and board. With 11.4 percent growth, TBR will receive \$899,966,402 from revenue in FY11-12.
- With 11.4 percent growth, TBR would receive \$1,002,562,572 in revenue from in-state tuition, fees, and room and board in FY12-13; a difference of \$102,596,170 (\$899,966,402 x 11.4%).
- With 11.4 percent growth, TBR would receive \$1,116,854,705 in revenue from in-state tuition, fees, and room and board in FY13-14; a difference of \$114,292,133 (\$1,002,562,572 x 11.4%).
- In FY12-13, TBR's revenue from in-state tuition, fees, and room and board will decrease \$102,596,170.
- In FY13-14, TBR's revenue from in-state tuition, fees, and room and board will decrease \$114,292,133.

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- In FY08-09, revenue for UT from in-state tuition, fees, and housing (board is included in housing) was \$363,731,373. In FY09-10, UT's revenue from these items was \$399,803,767. In FY10-11, UT's revenue from these items was \$443,745,617.
- UT's average annual growth in revenue from in-state tuition, fees, and room and board from FY08-09 to FY10-11 was nine and a half percent.
- This percentage growth will be used to extrapolate UT's estimated decrease in revenue from in-state tuition, fees, and room and board in FY12-13 and FY13-14.
- In FY10-11, UT received \$443,745,617 in revenue from in-state tuition, fees, and room and board. With nine and a half percent growth, UT will receive \$485,590,451 in revenue from in-state tuition, fees, and room and board in FY11-12.
- With nine and a half percent growth, UT would receive \$531,721,544 in revenue from in-state tuition, fees, and room and board in FY12-13; a difference of \$46,131,093 ($\$485,590,451 \times 9.5\%$).
- With nine and a half percent growth, UT would receive \$582,235,091 in revenue from in-state tuition, fees, and room and board in FY13-14; a difference of \$50,513,547 ($\$531,721,544 \times 9.5\%$).
- In FY12-13, UT's revenue from in-state tuition, fees, and room and board will decrease \$46,131,093.
- In FY13-14, UT's revenue from in-state tuition, fees, and room and board will decrease \$50,513,547.
- The total decrease in state revenue in FY12-13 will be \$148,727,263 ($\$102,596,170 + \$46,131,093$).
- The total decrease in state revenue in FY13-14 will be \$164,805,680 ($\$114,292,133 + \$50,513,547$).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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